

FORREST P. HYMAS

Chapter 12 Trustee

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TRUSTEE'S REPORT

RE: KETTERLING, Lynn and Jeanne
Dba Ketterling Farms

Case # 03 - 41318 - Chapter 12

Attorney for Debtor: D. Blair Clark

HEARING: FINAL HEARING ON MOTION TO USE CASH COLLATERAL

LOCATION: U. S. FEDERAL BUILDING AND COURT HOUSE
801 East Sherman
Pocatello, Idaho

DATE & TIME: Wednesday, August 27, 2003 - 1:30 PM

A. OBJECTION

1. D. L. Evans Bank
Attorney: Lance Loveland
2. Western Farm Service
Attorney: Craig Christensen

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B. ORDER AUTHORIZING USE OF CASH COLLATERAL

1. An Order Authorizing Use of Cash Collateral was approved by the Court on August 7, 2003.
2. The Order allowed the continued use of cash collateral through August 27, 2003.
3. Secured Creditors Western Farm Service, D. L. Evans Bank and Farm Service Agency shall receive replacement liens on accounts receivable and livestock pending final hearing.
4. The Chapter 12 Trustee shall manage the cash collateral account.

C. MOTION REVIEW

1. Month to Month cash flow - July through December 2003 - Exhibit A
The attached Exhibit A was included in the Motion to Use Cash Collateral.

D. REVIEW OF CASH COLLATERAL ACTIVITY

1. In the Trustee's Report of July 10, 2003, the Trustee broke the budget into four weeks, three weeks and one week increments.
2. For reporting purposes, the Trustee will use the four week budget since the cash collateral account started on July 10, 2003 and the last entry for this report was on August 20, 2003.
3. The Trustee has broken out activity from July 10 to July 31 and August 1 to August 20; then combined the two week activity into one total.

Trustee's Report - Ketterling, Lynn - #03-41318
Hearing date - August 27, 2003
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Four week budget

	Budget four weeks	July 10 - 31	August 1 - 20	Total July August	Variance
INCOME					
Cattle sale	\$22,725.	\$21,360.	\$11,220.	\$32,580.	+ \$9,855.
Sugar beets	2,500.	0.	0.	0.	0.
Custom feed	1,000.	0.	0.	0.	0.
Rebate seed	1,074.	0.	0.	0.	0.
Other	0.	350.	381.	731.	+ 731.
TOTAL	\$27,299.	\$21,710.	\$11,601.	\$33,311.	+ \$6,012.
EXPENSES					
Feed grain	\$4,500.	\$3,265.	\$0.	\$3,265.	- \$1,235.
Feed milk	3,900.	1,872.	660.	2,532.	-1,368.
Phone	160.	163.	94.	257.	97
Fuel	400.	148.	259.	407.	7
Life insurance	330.	400.	650.	1,050.	720
Other Insurance	560.	560.	584.	1,144.	584
E. Ketterling	500.	500.	0.	500.	0.
Employee	3,600.	2,091.	2,363.	5,963.	+ 2,363.
Repairs	400.	0.	349.	349.	- 51.
Veterinary service	600.	86.	149.	235.	- 365.
Power	500.	396.	540.	936.	436
Living expense	1,300.	975.	1,300.	2,275.	975
TOTAL	\$16,750.	\$10,456.	\$6,948.	\$18,913.	+ \$504.
MARGIN	\$10,549.	\$11,254.	\$4,653.	\$14,398.	+ \$3,849.

4. Trustee's Summary of Budget

- (a) In order to get a true picture of the cash collateral account, more time should be allowed. This activity covers 41 days; the budget is for 30 days.
- (b) For this review, the Debtor is over budget on income by \$6,102.00 and over budget on expense by \$504.00, overall.
- (c) The extreme over and under budget items should fall into line over the next 30 days.

5. Review of Calf Numbers

- (a) At the hearing on July 10, it was reported that there were 465 head of calves in the facility.
- (b) Calf sales to date:

<u>Date</u>	<u>Number</u>	<u>Average price per head</u>
7/18/03	26	\$220.00
7/20/03	36	275.00
7/29/03	26	220.00
8/4/03	25	220.00
8/12/03	<u>26</u>	<u>220.00</u>
	139	\$231.00

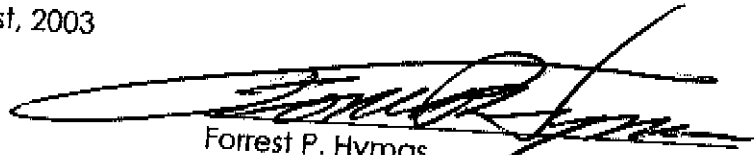
- (c) Calf Inventory
Calves on hand 7/10/03 465
Less calves sold 139
Calves on hand, per Trustee 326

NOTE: Death loss has not been taken into account.

E. TRUSTEE'S RECOMMENDATION

1. The Trustee will recommend approval of the use of cash collateral.
2. If the future use of cash collateral is approved, the Trustee will recommend using the month to month cash flow Exhibit A, as the budget.

DATED this 25th day of August, 2003


Forrest P. Hymas
Chapter 12 Trustee

Copies via FAX to:

U. S. Bankruptcy Court, Pocatello
Office of U. S. Trustee
Blair Clark
Lance Loveland
Jerry McGrath
Warren Derbidge
Paul Murri
Craig Christensen
Lynn & Jeanne Ketterling

208- 478 - 4106
208 - 334 - 9756
208 - 342 - 4657
208 - 878 - 0146
208 - 736 - 7373
208 - 334 - 1414
208 - 378 - 5678
208 - 234 - 9357
Via mail

EXHIBIT A

A	B	C	D	E	F	G	H
2003 INCOME							
Lynn & Jeanne Ketterling							
	July-03	August-03	September-03	October-03	November-03	December-03	Totals
	100 head	100 head	100 head	100 head	54 head		
CATTLE SALES	22,725.00	22,725.00	22,725.00	22,725.00	15,936.00		108,836.00
2003 OTHER INCOME							
RENT					12,145.00		12,145.00
SUGAR BEETS	2,500.00			12,500.00			15,000.00
CUSTOM FEEDING	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	6,000.00
TEACHING			2,200.00	2,200.00	2,200.00	2,200.00	8,800.00
REBATE (Alvin Schenk)	1,074.00						1,074.00
TOTAL	27,299.00	23,725.00	25,925.00	38,425.00	31,281.00	3,200.00	149,855.00
EXPENSES	18,895.00	14,877.00	8,895.00	8,896.00	8,742.00	6,636.00	65,939.00
DIFFERENCE	8,404.00	8,848.00	16,030.00	28,630.00	24,539.00	2,436.00	83,916.00

A	B	C	D	E	F	G	H
Jeanne & Lynn Ketterling							
Calf Raising Business							
	July-03	Aug-03	Sept-03	Oct-03	Nov-03	Dec-03	TOTALS
FEED- GRAIN	4500	3400	2400	2400	1200	0	13900
FEED- MILK	3840	1320					5260
PHONES	160	160	160	160	160	160	960
FUEL	400	400	400	400	400	260	2260
LIFE INSURANCE	70	172	70	70	172	70	624
HEALTH INSURANCE	330	330	330	330	330	330	1980
OTHER INSURANCE	560	560	0	0	500	500	2120
ELMER KETTERLING	500	500	500	500	500	500	3000
EMPLOYEES	3680	3680	1680	1680	800		11520
REPAIR/MAINTAIN	400	400	400	400			1600
VET SUPPLIES	600	200	200	200			1200
TAXES	0	0	0	0	0		1135
POWER	500	500	500	500	500	500	3000
FORD MTR.	560	560	560	560	560	560	3360
LEASE PAYMENTS	512	512	512	512			2048
JOHN DEERE GATOR	100	100	100	100			400
JOHN DEERE SKID	463	463	463	463			1852
Living Expenses	1300	1300	1300	1300	1300	1300	7800
Onyx (Pickup)	320	320	320	320	320	320	1920
TOTALS	18895	14877	9895	9895	6742	5635	65939

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RINCENT CLARK